

MEMORANDUM

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



Attachment 3A

SUMMARY MINUTES

ABAG Power Executive Committee

Regular Meeting 2013-04

August 21, 2013

Metro Center, ABAG's Conference Room B

101 8th Street, Oakland, CA 94607

WELCOME AND INTRODUCTIONS

Chairman Richard Sealana opened the meeting with introductions at 12:05 PM.

Committee Representatives

Julie Bueren
Stephanie Hom
Chris Schroeder
Richard Sealana (Chair)
Daniel Smith
Angela Walton

Jurisdictions

County of Contra Costa
Town of Moraga
City of Milpitas
City of Union City
City of Pleasanton
City of Richmond

Members Absent

Alan Olds

Housing Authority of the City of Alameda

Staff Present

Jennifer Berg
Jerry Lahr
Vina Maharaj
Kenneth Moy
Herbert Pike

ABAG
ABAG POWER
ABAG POWER
ABAG
ABAG

Guests Present

Dave Jones

DMJ Gas Marketing Consultants

PUBLIC COMMENTS & ANNOUNCEMENTS

There were no public comments.

Chairman Sealana appointed Daniel Smith, Director of Operations Services from the City of Pleasanton and Alan Olds, Finance Director of Housing Authority of the City of Alameda as members of the Executive Committee effective August 21, 2013.

MEMORANDUM

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



Attachment 3A

APPROVAL OF SUMMARY MINUTES OF JUNE 19, 2013.

Motion was made by Schroeder/S/Walton/C/5:0:0 to approve the Summary Minutes of June 19, 2013 Executive Committee Meeting.

REPORT ON NATURAL GAS PROGRAM

Introduction of Dave Jones of DMJ Marketing Consultants, LLC

Dave Jones of DMJ Marketing Consultants, LLC was introduced to the Executive Committee. As previously reported, DMJ Gas Marketing was selected as the Pool's new Gas Scheduler effective July 1, 2013.

Jones presented to the Executive Committee regarding the various duties of a gas scheduler.

Monthly Summary of Operations FY 12-13

Lahr provided the members with the Monthly Summary of Operations reports for FY12-13 and FY13-14. He updated the members on the percentage savings comparisons with PG&E. The preliminary fiscal year 12-13 cumulative savings through June 30, 2013 is 0.9%.

Gas Hedge Chart

Lahr provided information on the various current long-term gas purchases (contracts which are greater than one month in length). Currently there are two long-term gas purchases in place. One contract will expire in March, 2014 and the other in June, 2014.

Market Price Chart (3-year)

Lahr provided a 3-year comparison of gas prices.

Over-collection of Funds on the Preliminary FY 2013 Financials

According to the preliminary FY 2013 financial statements there was an over-collection of funds during the 2012-13 fiscal year of approximately \$760,000. Upon finalization of the financial statements and completion of the true-up process, the over-collection will be returned to those members who overpaid, starting with their November 1, 2013 invoice.

Request for Electronic Payment Option

The County of San Mateo requested that ABAG POWER provide members the option to pay their bills electronically (wire or ACH). They indicated that the electronic payment method is automated, less error prone and more efficient for account payable departments to pay their utility bills.

There was a general consensus among members to hold-off any decision on this subject at the present time. The members will re-visit this subject at a future meeting of the Executive Committee.

MEMORANDUM

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



Attachment 3A

CLOSED SESSION

Conference with Legal Counsel—Existing Litigation, Govt. C. Sec. 54956.9(c)

Application of PG&E to Set New Core Interstate Pipeline Capacity Planning Range (A.13-06-011)

The Chairman announced that no reportable action was taken.

NATURAL GAS PIPELINE CAPACITY ISSUES

Lahr provided the members with an all-inclusive list of invoices received to date from PG&E for CTA Unrecovered Capacity Costs. He also provided an estimate of future costs which was based on various stated assumptions.

Lahr reviewed the ABAG POWER letter-writing campaign to the California Public Utilities Commission in which members requested the Commission modify the regulations that require ABAG POWER to take and pay for PG&E's excess pipeline capacity.

The Executive Committee provided direction to staff regarding actions to be taken in dealing with the stranded pipeline capacity cost issue. This included recommendations to be presented to the ABAG POWER Board, as follows:

- Continue ABAG POWER involvement in the regulatory proceedings related to this issue.
- Reduce the planning range of future long-term gas purchases.
- Set forth criteria (e.g. cost and/or savings) whereby the Executive Committee will alert the full board.

OTHER BUSINESS

None.

ADJOURNMENT

Chairman Sealana adjourned the meeting at 1:40 pm.

/vm

*Example of a motion – *[Member No. 1/S/Member No. 2/roll call vote/C/8:0:0]* means Member No.1 motions, seconded by Member No.2, after roll call vote, motion carries, 8 = "yes" votes, 0 = "no" votes and 0 = abstention.